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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

PROCUREMENT SECTION
FEB 1 1985

The AUSTRALIAN Wheat Board (AWB) has announced a long-term supply agreement with Egypt to provide a minimum of 1.5 million tons of wheat annually for the 1985-89 period. For calendar year 1985, Australia has contracted to supply 2 million tons to Egypt. In addition to supply assurances, the new agreement includes provisions for three-year credit at commercial interest rates. Under a previous agreement, the AWB was committed to supply a minimum of 1 million tons annually.

BRAZIL's October 1 dry edible bean tender for 29,500 tons was awarded to U.S. suppliers for delivery next month. This is the first significant Brazilian purchase of beans from the United States since 1981/82. Since this sale represents over 10 percent of total U.S. 1983/84 dry edible bean exports of 236,000 tons, exports in 1984/85 could be much higher as a result of this sale.

TAIWAN lifted a two-year ban on Thai corn imports and announced the purchase of 49,000 tons of corn following a visit of Taiwan grain import officials to Thailand. The team found that aflatoxin levels in this year's corn crop are substantially lower than in 1982, when the ban was imposed. In addition, an agreement was reached requiring official documentation on all future Thai corn shipments to Taiwan, which supports a maximum allowable aflatoxin level. In recent years, the United States has supplied almost all of Taiwan's annual 3-million-ton corn import requirement.

The GERMAN DEMOCRATIC REPUBLIC's 1984/85 grain production is estimated at a record 11.5 million tons, 13 percent above last year's previous record harvest, according to the U.S. agricultural attache in Berlin. Wheat production is estimated at a record 4.3 million tons, 20 percent above last year's crop, while total coarse grain production is estimated at a near-record 7.2 million, 9 percent above last year. Favorable weather and near-ideal growing conditions resulted in a record average wheat yield of 5.6 tons per hectare, 19 percent above the previous record of 4.7 harvested last year.

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OILSEEDS AND PRODUCTS

In THAILAND, the Council of Economic Ministers announced October 15 that all soybean meal imports will be subject to licensing requirements. Quantities of soybean meal allowed to be imported will be tied to the purchases of domestic soybeans at a farmgate price equivalent to \$8.30 per bushel, but the ratio has not yet been decided. The Thai Minister of Commerce said the ratio should be 3 tons of soybean equivalent imported for 1 ton domestic soybeans purchased. According to the U.S. agricultural attache in Bangkok, Thailand imported 191,497 tons of soybeans, valued at \$48.9 million, in 1983. Of this amount, 21,876 tons, valued at \$6.0 million, came from the United States.

According to the U.S. agricultural counselor in Brasilia, BRAZILIAN news sources have reported that the European Community (EC) Commission will propose a countervailing duty (CVD) of 7.27 percent on soybean meal from Brazil. This was in reaction to a complaint by the EC Seed Crushers and Oil Processors' Federation (FEDOIL) that imports of Brazilian soybean meal were violating anti-dumping and anti-subsidy provisions under the General Agreement on Tariffs and Trade (GATT). The proposals would permit the EC to apply the CVD in the event that the Brazilian government re-establishes the system of granting preferential credits for soybean meal exports.

FEDOIL also complained about imports of Argentine soybean meal, but the Commission has recommended closing that case without taking any measures. The CVD on imports of soybean meal from Brazil must be formally approved by EC officials in Brussels. FEDOIL complained about several Brazilian export practices, but the Commission is only acting on the granting of preferential credit for soybean meal, and will not consider those affecting soybean oil. The National Soybean Processors Association has filed a similar complaint against these Brazilian trade practices.

Purchases of ARGENTINE soybeans by the SOVIET UNION are expected to fall short of the amount specified in the Argentine-USSR trade agreement. The agreement for calendar years 1980-85 calls for annual shipment of 500,000 tons of soybeans. Current estimates are that the USSR will purchase only 150,000 tons in calendar year 1984. For the past four years, Argentina shipped from 636,000-747,000 tons of soybeans annually to the USSR, all of which had been shipped by the end of September.

ARGENTINE oilseed production in 1984/85 is forecast at a record 9.9 million tons. Although Argentina will continue to export substantial quantities of soybeans, the expansion of the crushing industry is forecast to result in a 600,000-ton increase in oilseed meal exports in the local 1985/86 marketing year to 4.0 million tons and a 200,000-ton increase in vegetable oil exports to 1.4 million tons.

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DAIRY, LIVESTOCK AND POULTRY

According to the U.S. agricultural counselor in Ottawa, CANADA has amended its animal health requirement for feeder cattle imports, which is expected to improve U.S. exports of feeder cattle to Canada for winter feeding. Effective October 4, import requirements are based on weight rather than age, permit imports of spayed heifers and allow importation one month earlier (beginning October 1) on the basis of a single negative test for bluetongue.

Prior to the October 4 amendment, feeder cattle imports required multi-bluetongue testing and strict age requirements. Feeders were not permitted entry before November 1 in any year (as a protection against the life cycle of the vector for bluetongue).

U.S. exports of feeder cattle to Canada have been roughly 12,000 head worth approximately \$5 million in both 1983 and 1984.

According to the U.S. agricultural attache in Moscow, state and collective farms in the SOVIET UNION continue to indicate good performance for most categories of livestock production for the January-September period. Total meat production is up 6 percent. Beef and poultry are each up 5 percent, while pork is 10 percent above 1983. For the same period, cumulative milk and egg production are up 2 and 3 percent, respectively. As of October 1, animal numbers continued at high levels. Total cattle were reported at 95.7 million head, 2 million head above 1983; however, the number of cows was reported to be down slightly. Hogs, at 62.3 million head, were up just over 1 percent, while poultry numbers, at 755 million, were nearly 2 percent above 1983.

With the exception of milk production, September data indicate a significant slowing in the increase of livestock production. September 1984 total meat production was nearly 2 percent below 1983 with declines of 4 percent in pork and 2 percent in poultry meat, and beef production just maintaining the 1983 level. Monthly milk production, after falling below the 1983 level in August, was up slightly in September. The milk production increase was probably due to better pastures following late August rains.

COTTON AND FIBERS

In THAILAND, the Minister of Finance recently increased the import duty on cotton by 500 percent. Prior to this announcement, cotton was taxed at a rate of less than 1 U.S. cent per pound. The new duty has increased the rate to about 3.6 cents, which represents an increase from approximately 1 percent to 5 percent of the value at current cotton prices. The measure was part of a larger resolution to increase import duties and appears to be directed toward generating income for the government.

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SUGAR AND SWEETENERS

WORLD centrifugal sugar production in 1984/85 is forecast at 97.5 million tons (raw value), 2 percent more than the revised 1983/84 output of 95.6 million tons. The current forecast is 2 percent less than the one made in April 1984. World production of sugar from cane is expected to account for 61.5 million tons (63 percent of the total) and sugar from beets 36.0 million tons. The expected increase in 1984/85 is attributed to improved growing conditions in Australia and South Africa and increased beet area and higher yields in the European Community.

Sugar production in the EC, accounting for 13 percent of the total, is forecast at 12.8 million tons, 10 percent above a year ago. France, the largest producer, is expected to produce 4.35 million tons from an additional 39,000 harvested hectares of beets.

In other European countries, Spain is expected to produce 7 percent less sugar following a decline in cane area. Poland's outturn is expected to be down 6 percent from last year's near-record crop.

Sugar production in the Soviet Union for 1984/85 is forecast at 7.8 million tons, down from early season expectations and 10 percent less than last year's output. Ample moisture in the west, though favoring beet development, probably reduced sugar formation and increased pest, weed and disease problems. Dryness in the east hurt emergence and stand establishment. Transportation and storage of beets continue to be serious problems despite some improvements in recent years to expedite shipment to mills. The Soviet sugar-beet area of 3.49 million hectares is slightly less than last year.

Brazil and Cuba, Latin America's two largest sugar-producing countries, are expected to account for two-thirds of the region's total output. Brazil will likely retain its position as the world's largest sugar producer with an 8.9-million-ton outturn from 98 million tons of cane. In Cuba, production in 1984/85 is forecast at 8.2 million tons, the same as the reported output the previous season.

In three of the six largest producing countries in Asia (India, Indonesia and Pakistan), sugar production is expected to increase in 1984/85. Production in China and Thailand is not expected to change much from the previous year. In the Philippines, sugar outturn is expected to drop by more than 20 percent because of an increasing disparity between low prices received and high production costs (now about 13 cents per pound.)

South Africa is expecting a record sugar crop of 2.4 million tons in 1984/85, after a severe drought affected the 1983/84 crop and sugar production dropped 35 percent from the previous season.

Sugar production in Australia is forecast at 3.6 million tons following good weather conditions during the growing season through early harvesting period.

Regional estimates are as follows in 1,000 tons:

Region	1983/84		1984/85	
	Beet	Cane	Beet	Cane
North America	2,554	5,656	2,710	5,660
South America	257	14,230	350	13,840
Central America	0	1,723	0	1,800
Caribbean	0	9,941	0	9,900
European Community	11,585	0	12,780	0
Other Western Europe	2,297	10	2,265	10
Eastern Europe	5,727	0	5,880	0
USSR	8,700	0	7,800	0
North Africa	427	1,043	440	1,070
Other Africa	0	5,083	0	6,010
Middle East	2,300	100	2,280	200
Asia 1/	1,540	18,935	1,470	18,975
Oceania	0	3,445	0	4,030
Total, by type	35,387	60,166	35,975	61,495
Total centrifugal sugar	95,553		97,470	

1/ Includes noncentrifugal sugar in India.

Selected International Prices

Item	: Oct. 23, 1984	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			
Canadian No. 1 CWRS-13.5%.	189.50	5.16	- .50
U.S. No. 2 DNS/NS: 14%....	173.00	4.71	-1.00
U.S. No. 2 S.R.W.	162.75	4.43	+5.00
U.S. No. 3 H.A.D.....	190.00	5.17	+2.00
Canadian No. 1 A: Durum...	207.00	5.63	-1.00
Feed grains:			
U.S. No. 3 Yellow Corn....	133.00	3.38	-2.00
Soybeans and meal:			
U.S. No. 2 Yellow.....	251.00	6.83	-1.50
Brazil 47/48% SoyaPellets 4/	189.00	--	-1.00
U.S. 44% Soybean Meal....	174.00	--	-3.00
U.S. FARM PRICES 3/			
Wheat.....	126.39	3.44	0
Barley.....	84.97	1.85	-1.84
Corn.....	105.91	2.69	-1.97
Sorghum.....	92.37	4.19 6/	-.66
Broilers 4/.....	1042.11	--	-45.19
EC IMPORT LEVIES			
Wheat 5/.....	43.40	1.18	-6.55
Barley.....	45.80	1.00	-1.50
Corn.....	41.30	1.05	-1.70
Sorghum.....	58.85	1.49	-2.80
Broilers 4/ 6/ 8/.....	N.Q.	--	N.Q.
EC INTERVENTION PRICES 7/			
Common wheat(feed quality)	137.65	3.75	+1.80
Bread wheat (min. quality)7/	146.90	4.00	+1.95
Barley and all			
other feed grains.....	137.65	--	+1.80
Broilers 4/ 6/.....	N.Q.	--	N.Q.
EC EXPORT RESTITUTIONS (subsidies)			
Wheat	N.A.	--	--
Barley.....	19.90	.43	-.30
Broilers 4/ 6/ 8/.....	N.Q.	--	N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. N.A.=None authorized. N.Q.=Not quoted. Note: Basis November delivery.

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